

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 EB-08 INT-05 ITC-01 CIAE-00 DODE-00

PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 AID-05 COME-00 FRB-03 TRSE-00

XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04

CEA-01 /094 W

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R 110818Z FEB 77

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 6238

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E.O. 11652: N/A

TAGS: EMIN, ITC, MY

SUBJECT: SUGGESTED TALKING POINTS FOR VISIT OF MALAYSIAN MINISTER
PRIMARY INDUSTRIES TO WASHINGTON

REF: STATE 30233

1. FOLLOWING TALKING POINTS SUGGESTED FOR MINISTER MUSA HITAM'S
MEETINGS IN DEPARTMENT.

2. TIN: DEPARTMENT MAY WISH CONVEY FOLLOSWING: U.S. IS
CONCERNED WITH DECLINING WORLD PRODUCTION OF TIN. CONSIDERABLE
SHORTFALL OF SUPPLY TO DEMAND EXISTS. MALAYSIA, WORLD'S LARGEST
PROEJCER (ABOUT 38 PERCENT OF TOTAL) ALSO EXPERIENCING
PRODUCTION DECLINE (TONS OF TIN-IN CONCENTRATES) (1972-76,831,
1973-72, 260, 1974-68,122, 1957-64364, 1976-62,489). WE
UNDERSTAND THAT THIS DECLINE IS NOT FUNCTION OF EITHER ITA FLOOR
PRICE OR WORLD MARKET PRICE OF TIN BUT RATHER TO DIFFICULTY
IN OBTAINING LICENSE FROM GOM. WE APPRECIATE THAT THIS REFLECTS
IMPLEMENTATION OF MALAYSIA' NEW ECONOMIC POLICY TO GIVE MALAYS
(AS DISTINCT FROM OTHER MALAYSIANS, NOTABLY CHINESE) A MORE
EQUITABLE PIECE OF THE ECONOMIC ACTION. WE ASSUME THAT THE
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RECENTLY ACQUIRED INTEREST IN 68 PERCENT OF TIN DREDGE SECTOR
WILL RESULT IN SOME NEW DEVELOPMENT THERE. WE NOTE THAT THE
DECLINING GRAVEL PUMP SECTOR (940 IN 1972, 724 AT PRESENT) PRODUCES
FIFTY-FIVE PERCENT OF MALAYSIA'S TIN AND IS ESSENTILLY CHINESE
MALAYSIAN. WE WOULD APPRECIATE THE MINISTER'S VIEWS OF HOW HE
SEES MALAYSIA'S TIN PRODUCTION IN THE NEXT FEW YEARS.

3. RUBBER: THE ASSOCIATION OF NATURAL RUBBER PRODUCING COUNTRIES HAS RECENTLY REQUESTED (KUALA LUMPUR 962) CONSULTATIONS WITH U.S. ON RUBBER BEFORE THE APRIL/MAY UNCTAD PLENARY PREPARATORY MEETING ON RUBBER. IF A DECISION HAS BEEN MADE TO RESPOND FAVORABLY TO THIS REQUEST, DEPARTMENT MAY WISH TO INFORM MINISTER MUSA, SINCE MALAYSIA IS LARGEST NR PRODUCER AND PRINCIPAL FORCE BEHIND MOVE FOR INTERNATIONAL AGREEMENT ON NR.

4. PALM OIL: OF APPROPRIATE, DEPARTMENT MAY WISH TO INFORM MINISTER THAT EXECUTIVE BRANCH CONTINUES TO OPPOSE IMPOSITION OF ANY IMPORT DUTY OR QUANTITATIVE LIMIT ON PALM OIL IMPORTS INTO U.S.

5. MTN-TROPICAL PRODUCTS: DEPARTMENT MAY WISH TO INFORM MINISTER THAT USG IS REVIEWING ITS OFFER IN TROPICAL PRODUCTS SECTOR WITH VIEW TO POSSIBLY INCLUDING ADDITIONAL ITEMS OF INTEREST TO ASEAN, INCLUDING MALAYSIA. IT WOULD ALSO BE USEFUL TO REITERATE TO HIM THAT THE U.S. DOES REQUIRE SOME DEGREE OF RECIPROCITY IN THE TROPICAL PRODUCTS SECTOR NEGOTIATIONS.

6. INVESTMENT CLIMATE: DEPARTMENT MAY WISH TO EXPRESS APPROVAL OF POSITIVE ACTIONS BY GOM WHICH LED TO AGREEMENT ON PRODUCTION SHARING CONTRACT BETWEEN EXXOR AND THE MALAYSIAN NATIONAL OIL COMPANY, PETRONAS. DEPARTMENT MAY ALSO WISH TO NOTE RECENT REPEAL OF OFFENSIVE "MANAGEMENT SHARES" ARTICLE OF PETROLEUM DEVELOPMENT ACT AS HELPFUL DEVELOPMENT IN RE-ESTABLISHING ATTRACTIVE INVESTMENT CLIMATE IN MALAYSIA AND ASK THE MINISTER'S VIEWS OF WHEN THE AMENDMENTS TO THE INDUSTRIAL COORDINATION ACT PROMISED BY THE GOM MIGHT BE EXPECTED.

UNDERHILL

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 11-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
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